



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



THOMAS D. WATKINS, JR.
SUPERINTENDENT OF
PUBLIC INSTRUCTION

September 21, 2004

Dear Superintendent:

The purpose of this letter is to communicate a change in the base amount above which competitive bids must be obtained for remodeling, procurement of supplies, materials, and equipment. Sections 623a, 1267 and 1274 of the Revised School Code establish a base above which competitive bids must be obtained and provide for an increase in the base that corresponds with increases in the Consumer Price Index. For fiscal year 2004-2005, the new base is \$18,345.

Our analysis shows that the average Consumer Price Index for the twelve month period ending August 31, 2003 was 182.75 and the similar average for the twelve months ending August 31, 2004 was 186.96, representing a percentage increase of 2.30 %. Therefore, the fiscal year 2003- 2004 base of \$17,932 increases by \$413 to \$18,345.

Please call Glenda Rader at (517) 335-0524 if there are questions about this change.

Sincerely,

Daniel M. Hanrahan, Director
Office of State Aid and School Finance

cc: Glenda Rader

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